

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 14th day  
of February, 2008.

In the Matter of the Joint Application of Great Plains	)	
Energy Incorporated, Kansas City Power & Light	)	
Company, and Aquila, Inc., for Approval of the Merger	)	<b><u>Case No. EM-2007-0374</u></b>
of Aquila, Inc., with a Subsidiary of Great Plains	)	
Energy Incorporated and for Other Related Relief.	)	

**ORDER GRANTING MOTION TO WITHDRAW**  
**PROPOSED PROCEDURAL SCHEDULE AND DIRECTING FILING**  
**OF DETAILED STATUS REPORT**

Issue Date: February 14, 2008

Effective Date: February 14, 2008

On December 6, 2007, during the evidentiary hearing, Great Plains Energy Incorporated, Kansas City Power & Light Company, and Aquila, Inc. (collectively referred to as “the Applicants”) requested that the evidentiary hearing be recessed so that the Applicants could present an “alternative proposal”<sup>1</sup> to the other parties. There was no objection to this request and the hearing was continued.

The Applicants filed a motion to establish a procedural schedule on January 31, 2008. Included in the Applicants’ motion was a date on which it expects to file a settlement agreement or supplemental direct testimony, dates for additional testimony by the other parties, dates for further evidentiary hearings, and other procedural dates. The Commission

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<sup>1</sup> Transcript, page 1154, Ins. 8-13.

directed that any responses to the proposed procedural schedule be filed no later than February 6, 2008.

A response was filed by the Office of the Public Counsel on behalf of Public Counsel, the Staff of the Missouri Public Service Commission, Sedalia Industrial Energy Users' Association, AG Processing, Inc., and Praxair, Inc. The responding parties indicated that while settlement negotiations were ongoing, no settlement would be finalized by February 11, 2008, and there was no way for the parties to judge the time needed to prepare for an alternative merger plan, until that plan has been filed. In addition, the parties pointed out scheduling conflicts with the proposed hearing dates.

On February 13, 2008, the joint applicants filed a motion to withdraw their proposed procedural schedule. In support of their motion, the Joint Applicants stated that they desire to continue their settlement discussions until February 20, 2008. If a settlement is not finalized at that time, the Joint Applicants state they will file a status report informing the Commission of the current status of the negotiations. In addition, the parties informed the Commission that they had extended their contractual date for consummation of the proposed transaction in this case until May 1, 2008.

The Commission will grant the motion to withdraw Joint Applicants' motion to establish a procedural schedule. The Commission will also direct the Joint Applicants to file a status report with as much detail about the settlement negotiations as is practicable. In addition, the status report shall state whether the Joint Applicants are moving forward with their original proposal or whether the Joint Applicants are abandoning the original proposal and replacing it with an alternative proposal. If the Joint Applicants' intent is to go forward with the original merger plan if the current negotiations fail, then the Joint Applicants shall

propose dates for resuming the hearing on the original application which are agreeable to all the parties.<sup>2</sup> If the Joint Applicants seek to pursue an alternative proposal, then Applicants shall propose how the case should proceed including whether this case should be closed and a new case opened. All parties shall have an opportunity to respond to the proposal.

**IT IS ORDERED THAT:**

1. No later than February 20, 2008, Great Plains Energy Incorporated, Kansas City Power & Light Company, and Aquila, Inc., shall file a detailed status report as set out above.
2. The parties to this case shall cooperate in good faith to find mutually agreeable hearing dates if necessary.
3. This order shall become effective on February 14, 2008.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

Murray, Clayton, Appling, and Jarrett, CC., concur.  
Davis, Chm., not participating.

Nancy Dippell, Deputy Chief Regulatory Law Judge

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<sup>2</sup> The parties shall work in good faith to reach an agreement about proposed hearing dates. If an agreement cannot be reached, the Joint Applicants shall state in its filing which parties were unable to agree and what efforts were made to accommodate that party.